BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 09-34 August 28th, 2009

- **Retail sales rise for third straight month in June**
- **Sawmill and planing mill production down 17.2% in June**
- **2008 a good year for private radio stations in BC**

The Economy

- **Retail sales in the province climbed for the third month in a row (+0.7%, *seasonally adjusted*) in June.** Revenues were higher for most retailers, including those in the automotive sector (+1.9%), due to increased sales at gasoline stations (+2.9%) and new car (+1.7%) lots. Retailers of food (+1.4%), furniture, home furnishings & electronics (+0.9%) and building & outdoor home supplies (+0.9%) also had a more lucrative month. However, general merchandisers (-0.4%) and pharmacies (-3.5%) did not fare as well in June.

  Canadian sales climbed 1.0%, as higher prices helped boost the value of sales at gas stations (+4.7%) and food & beverage (+1.3%) stores. Widespread strength in revenues was dampened slightly by declining sales for dealers of general merchandise and building & outdoor home supplies (each down 0.6%). With the exception of New Brunswick (-0.2%), retailers in every province made gains in June,

  Data Source: Statistics Canada& BC Stats

- **Sawmills and planing mills in the province produced 17.2% less lumber this June than in the same month last year.** Mills on the Coast slowed their output by 9.6%, while production at Interior mills was down even more substantially (-18.1%). Canadian lumber production tumbled 22.5%, as both BC and Quebec (-38.4%) posted big declines. Year-to-date, BC sawmills have accounted for approximately half the lumber production in Canada.

  Data Source: Statistics Canada

- **The number of regular employment insurance (EI) beneficiaries in the province continued to rise (+5.5%, *seasonally adjusted*) in May.** Nationally, the number was up 5.1%. Alberta saw the most substantial increase in benefits recipients (+9.4%). Since October, the number of people receiving regular EI benefits in BC has doubled to 93,500.

  Data Source: Statistics Canada

Second Quarter in Review

- **Retail sales increased 0.9% (*seasonally adjusted*) in the second quarter of this year, rising for the first time since early 2008.** The growth was relatively on par with the national average (+0.8%), which was boosted by sales increases in every province except Alberta (-0.1%). *Data Source: Statistics Canada & BC Stats*

- **Wholesale sales in BC picked up (+2.2%, *seasonally adjusted*) in the first quarter, posting the first quarterly increase since last fall.** Sales were higher in all provinces except Manitoba (-0.3%) and increased 3.3% nationally.

  Data Source: Statistics Canada

Tourism

- **The nation's international travel deficit was virtually unchanged ($2.9 billion) in the second quarter of 2009, as spending by tourists to Canada, as well as Canadians travelling abroad, declined.** A drop in spending by Americans helped pull total foreign travel receipts down 1.6% (*seasonally adjusted*) to $3.8 billion. American travellers spent $1.7 billion in Canada, 3.1% less than in the first quarter and the lowest level in over 12 years. Meanwhile, Canadians spent $6.7 billion (-0.7%) away from home. Purchases south of the border were up slightly (+0.7% to $3.7 billion), but Canadians travelling overseas spent 2.5% less than in the previous quarter.

  Data Source: Statistics Canada

Report Trade with the Other Americas

Did you know...

One quarter of Canadians (23%) say they have spent less time, energy, and money maintaining their health as a result of the economic downturn. *Source: Canadian Medical Association*

- **Canadians made 6.9 million overnight trips to the US and overseas between January and March, 5.4% lower than in the same months of last year.** Overnight travel to the US dropped (-11.8% to 4.0 million trips). Florida and New York remained the top US destinations for Canadian travellers.

  Conversely, more Canadians travelled overseas (+5.1% to 2.9 million trips) in the first quarter of 2009. The most popular overseas destinations for Canadians were Mexico, Cuba and the Dominican Republic.

  Data Source: Statistics Canada

Agriculture

- **BC farm cash receipts were 3.8% lower in the second quarter than in the same period of 2008.** Crop receipts continued to slide (- 6.1%), as sales of floriculture & nursery products (-9.4%) fell well below 2008 levels for the second quarter in a row. Earnings from sales of other crops also dropped. Livestock receipts were down 3.4%, reflecting lower revenues from sales of cattle (-32.6%), turkeys (-11.7%) and eggs (-4.0%). However, payments from stabilization and other programs increased 40.8%. Nationally, crop receipts slipped 4.5% in the second quarter, with lower receipts from both crop (-1.8%) and livestock (-2.1%) sales, and reduced payments from stabilization and other programs (-32.8%). *Data Source: Statistics Canada*

Radio Broadcasting

- **The 100 private radio broadcasters in BC and the Territories had a particularly profitable year in 2008.** While overall operating expenses were up (+1.0%), sales of air time to generate advertising revenue jumped 6.2%, slightly above the Canadian average (+5.9%). In fact, broadcasters in the province registered their best profit margin before interest and taxes in the last ten years.

  Nationally, the highest profit margins were garnered by English radio stations (+23.0%), followed by French (+13.8%) and other language (+4.2%) stations. Radio stations that operate on the FM radio band enjoyed a substantially higher profit margin (24.5%) than AM stations (8.1%) last year.

  Data Source: SC, Catalogue 56-208-X

The Nation

- **Corporations in Canada earned operating profits of just over $50 billion (*seasonally adjusted*) in the second quarter of 2009, a decrease of 6.4% over the first quarter.** Falling oil prices caused a dip in profits for oil & gas extraction companies (-6.8%) and reduced demand for potash and nickel prompted stoppages at certain mining operations, contributing to an 11.5% decline in profits in that industry. Meanwhile, both retail and wholesale trade lost ground for the third consecutive quarters. Higher claims expenses for life, health and medical insurance carriers along with lower interest revenue for banking and other depository credit intermediaries pushed profits in the financial sector down 13.1%. Total operating profits have declined 35.1% since peaking in the third quarter of 2008. *Data Source: Statistics Canada*

- **Canadian manufacturers' prices were 6.9% lower this July than in the same month last year due primarily to falling petroleum prices (-5.2%).** Excluding petroleum & coal, the overall index would have been down 1.1%. On the other hand, the depreciation of the Canadian dollar boosted producer prices. Excluding the exchange rate effect, they would have fallen 9.7% (rather than 6.9%) over the twelve month period.

  BC softwood lumber prices continued to inch down (-0.2%) with Coastal (-7.7%) producers receiving significantly less for their products than in July of last year, while those at Interior mills received more (+3.5%). Prices for BC pulpwood chips were also lower (-7.4%).
  The cost of raw materials fell 34.4% in June, the largest year-over-year decline since 1977. This was mostly the result of a whopping 49.0% price reduction for mineral fuels.

  Data Source: Statistics Canada

***Infoline** Issue: 09-34*
August 28th, 2009

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Contact: Dan Schrier
250 387-0376
originally published in
Exports Issue 09-05

Trade with the Other Americas

Over the last several years, Canada has been engaged in developing stronger ties within the Americas, including not only North America, but also the Caribbean, Central America and South America. This commitment was articulated by Prime Minister Harper back in July 2007 when he stated, "Canada's government has made it clear that re-engagement in the Americas is a critical international priority for our country...Canada is committed to playing a bigger role in the Americas and to doing so for the long term."[1]

The larger role for Canada includes deeper trade ties with its hemispheric neighbours. To this end, Canada has been included in efforts to develop a Free Trade Area of the Americas, which would encompass most of the Western Hemisphere, with the notable exception of Cuba. Negotiations for this accord have stalled and given the difficulties inherent in coming to an agreement with such a large number of nations, many countries in the region have negotiated smaller agreements among themselves. Canada itself has been actively involved in negotiations with several countries in the Americas. It is currently working on deals with the CARICOM nations[2], the Central American Four countries[3], the Dominican Republic and Panama and has reached agreements in principle on free trade with both Peru and Colombia. The deal with Peru has been adopted by Parliament and received Royal Assent, while the Colombia trade agreement is still before Parliament.

While the agreement with Peru has been met with little resistance (although there have been some violent demonstrations in Peru against a possible United States-Peru free trade agreement), the same cannot be said about the potential deal with Colombia. There have been a number of groups that have raised objections to such a deal on the basis of the flagrant abuses of human rights that have occurred in recent years in Colombia, particularly the persecution and murder of many union leaders[4]. They argue that Canada should not enter into a free trade agreement until Colombia has committed itself to protecting human rights.

The opposing viewpoint was fairly clearly expressed by Prime Minister Harper when he said, "While there is no denying that Colombians continue to live with serious security challenges, the improvements we have seen over the last several years gives us much reason for optimism...Deepening both economic and political engagement between our countries is the best way Canadians can support the citizens of Colombia in their efforts to create a safer and more prosperous democracy[5]."

In other words, the idea is that the best way to foster democracy and freedom is to enhance ties, thereby giving Canada more leverage to push for improvements in human rights con-

[1] Quoted on the Foreign Affairs and International Trade Canada website: http://geo.international.gc.ca/cip-pic/geo/americas-report_ameriques-rapport-en.aspx

[2] The CARICOM (Caribbean Community) consists of 15 nations: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

[3] The Central American Four countries are El Salvador, Guatemala, Honduras and Nicaragua.

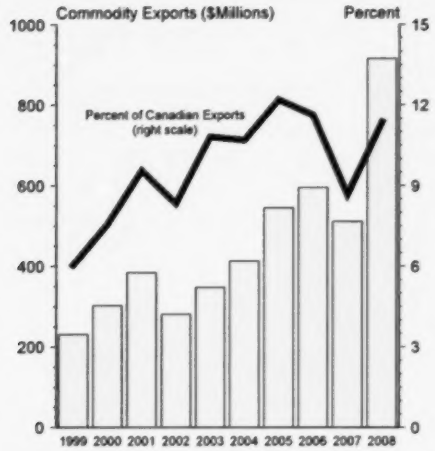
[4] These groups include the Canadian Labour Congress, CUPE and other trade unions, various church groups, among others.

[5] http://pm.gc.ca/eng/media.asp?id=2321

ditions. In addition, free trade would theoretically bring economic improvements to Colombia, which would reduce poverty and remove much of the incentive to engage in illegal activities, such as the drug trade.

Canada already has free trade deals with two countries in the "other Americas" (i.e., excluding North America): Chile and Costa Rica. If the other deals in the works come to fruition, Canada will have moved a long way toward having free trade with most of the Western Hemisphere.

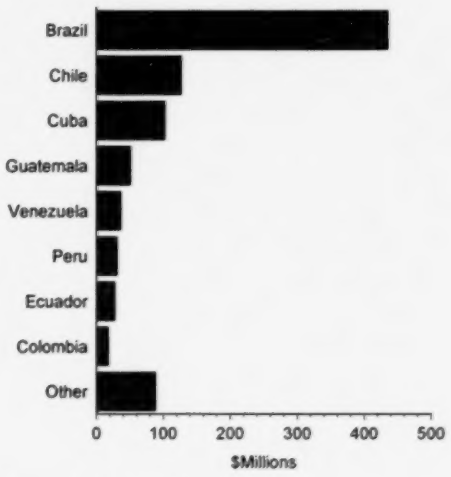
BC's exports to the other Americas has been rising over the last decade



Source: Statistics Canada

Canada's current trade with the other Americas is still fairly small. Less than two percent of Canada's commodity exports were shipped to that region in 2008. For British Columbia, the share was slightly higher, at just under three percent. However, the 2008 figure was substantially higher than the value of merchandise exports from a year earlier. The value of Canadian exports to the other Americas jumped 36% between 2007 and 2008, while BC's exports climbed 79%. BC's exports to the region have been rising over the last decade, but the leap in 2008 dwarfed all other annual increases in the last ten years.

Brazil was the destination for almost half of BC's exports to the other Americas in 2008



Source: Statistics Canada

More than half of the year-over-year increase was in shipments to Brazil. Both British Columbia and Canada as a whole saw their exports to Brazil soar in 2008, with Canadian shipments to that country climbing 78% and BC's exports to Brazil more than doubling (+117%) to approximately $436 million. That was almost half (48%) of the total value of BC's exports to the other Americas in 2008.

Most of the increase in shipments from BC to Brazil between 2007 and 2008 was in the form of either coal or sulphur. For Canada as a whole there were also significant increments in shipments of fertilizers, newsprint, iron and wheat. These goods also represented the top goods shipped to Brazil from BC and Canada. In fact, for BC, coal made up 79% of all goods shipped to Brazil in 2008, with sulphur comprising a further 15%. Canada's exports were somewhat more diversified, but four goods (fertilizer, coal, sulphur and newsprint) made up over half of all Canadian commodity exports to Brazil.

Top Five Destinations for BC Exports in the Other Americas, 2008

Country	$Cdn Millions	% of BC Exports to Other Americas
Brazil	435.5	48
Chile	126.9	14
Cuba	102.4	11
Guatemala	50.7	6
Venezuela	36.4	4
Total	915.4	100

Top Five Destinations for Canadian Exports in the Other Americas, 2008

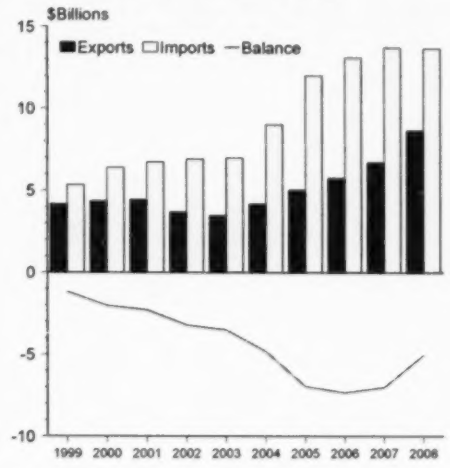
Country	$Cdn Millions	% of Canadian Exports to Other Americas
Brazil	2,499.0	31
Venezuela	804.6	10
Chile	675.5	8
Colombia	642.4	8
Cuba	616.6	8
Total	8,049.4	100

After Brazil, Chile was the next most significant destination for BC exports to the other Americas in 2008. Chile is also a significant recipient of service exports from BC and the rest of Canada, particularly services related to the mining industry.

Cuba ranked third as a destination for BC goods exports to the other Americas in 2008 and fifth as a destination for Canadian exports. Despite Cuba's relative importance as a trade partner in this region, it is usually shunned in terms of free trade discussions. This is generally due to the hostility between Cuba and the United States and the current embargo on trade between those two nations.

Canada's two-way commodity trade with the other Americas in 2008 amounted to just under $22.4 billion, which is a fraction of Canada's two-way trade with the United States ($602.5 billion). Nevertheless, the region offers promise as a more significant trade partner in the future.

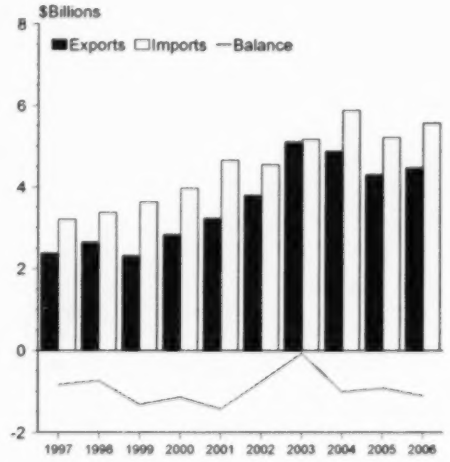
Canada has a deficit in trade in goods with the other Americas...



Source: Statistics Canada

Canada currently has a trade deficit with the other Americas, both in goods and services. The deficit in goods was over $5 billion in 2008, which is a significant drop from a year earlier when it stood at $7 billion. The deficit in trade in services stood at just over a billion dollars in 2006, the last year for which such data are available.

...and also a deficit in trade in services



Source: Statistics Canada

The strong growth in both exports and imports over the last few years reflects Canada's commitment to make the Americas more of a priority. Given the new free trade agreement with Peru and the likelihood that the Colombia deal will soon be ratified by Parliament, and given the other free trade discussions underway with other nations of the Americas, this region could be one of growth in terms of trade with both BC and the rest of Canada.

Infoline

August 28, 2009
Issue 09–34

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Apr 1/2009	% change on one year ago
BC	4,435.3	1.7
Canada	33,592.7	1.2
GDP and INCOME (Revised Apr 27)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	199,214	3.5
GDP *($ 2002 millions)*	164,161	-0.3
GDP *($ 2002 per Capita) (reflects revised pop)*	37,466	-1.9
Personal Disposable Income *($ 2002 per Capita)*	26,110	3.3
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jun	2,714	2.0
Merchandise Exports - Jun	1,913	-1.7
Retail Sales - Jun	4,416	0.7
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Jul 2009)	one year ago	% change
BC	-1.6	1.2
Vancouver	-1.6	1.3
Victoria	-1.1	1.2
Canada	-0.9	1.3
LABOUR FORCE (thousands)		
(seasonally adjusted)	Jul '09	% change on prev. month
Labour Force - BC	2,436	-0.7
Employed - BC	2,247	-0.3
Unemployed - BC	189	-5.0
		Jun '09
Unemployment Rate - BC *(percent)*	7.8	8.1
Unemployment Rate - Canada *(percent)*	8.6	8.6
INTEREST RATES (percent)	Aug 26/2009	Aug 27/2008
Prime Business Rate	2.25	4.75
Conventional Mortgages - 1 year	3.75	6.65
- 5 year	5.85	6.85
US-CANADA EXCHANGE RATE	Aug 26/2009	Aug 27/2008
(avg. noon spot rate) Cdn $ per US $	1.0991	1.0486
(closing rate) US $ per Cdn $	0.9109	0.9553
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jul '09	one year ago
BC	789.41	0.2
Canada	801.51	2.6

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Population & Household Projections

The latest British Columbia population projections (PEOPLE 34) are now available. BC Stats produces population and household projections for British Columbia and for a number of sub-provincial geographies in the province, including: Development Regions, Regional Districts, Health Authorities, Health Service Delivery Areas, Local Health Areas, College Regions, School Districts, and six Special Regions.

www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp

British Columbia Wellness Atlas 2008

The dynamic and highly configurable atlas allows users greater flexibility to explore the regional variations and correlations of the wellness data. In total, 40 indicators are drawn from the CCHS (Canadian Community Health Survey) and 27 indicators are from the 2006 Census of Canada and 2008 Socio-Demographic variables from BC Stats. The Wellness Atlas presents information in a geographical context (Health Service Delivery Areas), revealing spatial variations and patterns across British Columbia. To display your own unique dataset, contact Pat Bluemel to discuss.

www.bcstats.gov.bc.ca/data/pop/georef/geopage.asp

Regional Employment Projections

British Columbia's economy depends upon a skilled workforce for economic growth and well-being. Recent demographic forecasts have emphasized the need to increase the workforce in a variety of occupations. In response, BC Stats has developed a projection of the possible demand for labour by region, industry and occupation for 2008 to 2013.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Released this week by BC Stats

- Business Indicators, August 2009
- Current Statistics, August 2009

Next week

- Tourism Sector Monitor, August 2009
- Labour Force Statistics, August 2009
- Earnings & Employment Trends, August 2009

BC Stats, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: 250-387-0327 Fax: 250-387-0380 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca